



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

June 14, 2004

Mert Hamilton
Rocanville Stone
P.O. Box 34
Delta, Utah 84624

Subject: Abatement of Potential Notice of Noncompliance and Division Directive and Receipt of Final "Transitional" Reclamation Surety, Rocanville Stone, Tejon Quarries, Inc., M/027/087, Millard County Utah

Dear Mr. Hamilton:

On June 4, 2004, we received a Certificate of Deposit in the amount of \$8,105 as final payment of the "transitional" surety required for the Tejon Quarries Mine sites, located in Millard County, Utah. The Associate Director signed and executed the CD cover letter on June 11, 2004 (copy enclosed). This brings the total "transitional" surety to \$31,700 as was required in order to mitigate the Potential Noncompliance and Division Directive letter issued in November 2003.

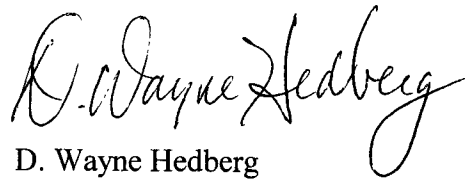
By receipt of this final "transitional" surety, all items required to mitigate **the Notice of Noncompliance are now satisfied**. Rocanville Stone may continue mining in the existing disturbed area footprint at the Tejon and Rich Gulch quarries. However, please be advised that **you are not allowed to expand beyond the disturbed area footprint until the LMO is fully reviewed, found complete and acceptable, and the entire project has been granted final approval by this office as well as the BLM.**

When the LMO is found acceptable and the Division is prepared to issue Tentative Approval, that decision will be published for a 30-day public comment period. If no adverse comments are received, we will then be prepared to issue final approval. Before final approval can be issued, the surety amount will need to be adjusted to reflect the entire proposed area. Final reclamation surety and a final Reclamation Contract will need to be received at that time.

Mert Hamilton
Page 2 of 2
M/027/087
June 14, 2004

Thank you for your help in finalizing this permitting action and furnishing the required information in order to abate the Potential Noncompliance. Please call me or Tom Munson if you have any questions regarding this letter.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

DWH:jb

Enclosure: Copy of \$8,105 CD & cover letter

Cc: David Wilson (copy of CD cover letter only)

Sheri Wysong, BLM, Fillmore FO (UTU-078279 & UTU-079464-01)

O:\M027-Millard\M0270087-tejon\final\abate-DD-06142004.doc



OLENE S. WALKER
Governor
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Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

May 26, 2004

Wells Fargo Bank
225 West Main
Delta, Utah 84624
(435) 864-3996

Attention: David Wilson, Business Banker

Subject: Reclamation Surety, Certificate of Deposit for Rocanville Corporation's Tejon Quarries Mine Site, M/027/087, Millard County, Utah
Certificate of Deposit no. [REDACTED]; Principal Amount \$8,105.00

This letter describes the mutually agreed upon instructions of the below signed parties to Wells Fargo Bank ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Tejon Quarries mine site ("Mine Site"), Millard County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$8,105.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining (Division) and the USDO, Bureau of Land Management (BLM) upon demand in the event that the operator of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

Ownership and Renewal:

Ownership of the CD is retained by Rocanville Corporation, a Utah corporation, ("Owner"), but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and USDO, BLM and is subject to the terms and conditions described in this agreement. The CD shall automatically renew indefinitely until either redeemed or released by both the Director of the Division and the authorized officer of USDO, BLM.

RECEIVED

JUN 04 2004

DIV. OF OIL, GAS & MINING

Utah!
Where ideas connect™

Redemption:

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of both the Director of the Utah Division of Oil, Gas & Mining, and the authorized officer of USDO, BLM to the Bank. Upon the instruction and demand of the Director, and the authorized officer of USDO, BLM, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owner agrees and irrevocably instructs Bank that neither the Owner, nor any other person claiming an ownership interest in the CD which is derived from the Owner, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners control, or if Owner does not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division and the authorized officer of USDO, BLM may redeem the CD.

Release:

The bank shall release the CD only upon the written instruction of both the Director of the Division, and the authorized officer of USDO, BLM to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owner, or their legal successors-in-interest.

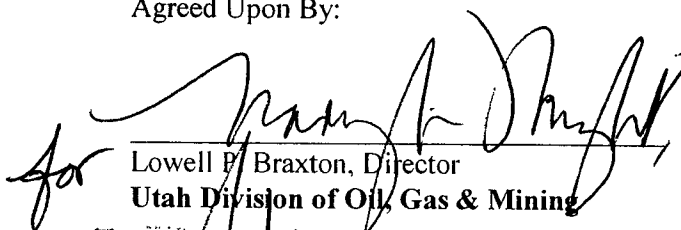
Accrued Interest:

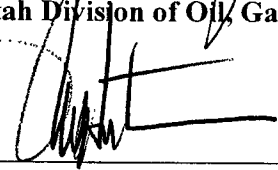
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner as the Owner may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$8,105.00.

All tax liabilities for accrued interest shall remain the sole responsibility of the Owner.

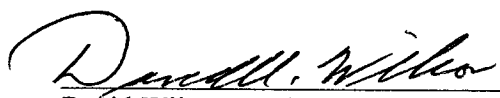
Bank will not be held liable for any dispute between the parties.

Agreed Upon By:

for  Associate Director
Lowell P. Braxton, Director
Utah Division of Oil, Gas & Mining
Date: 6/11/04


Mert Hamilton, Agent
Rocanville Corporation
Tax ID Number: _____

Date: 6/1/04


David Wilson, Business Banker
Wells Fargo Bank

Date: 6/1/04

_____ RSHO 2 FSS RST HARD HOLD INQ/MAINT 04/06/01 17.41.35
RSMU CO 119 OP MS ACTION SUCCESSFUL
ACTION INQ COID 119 ACCT COND
PROD CODE CDA ACCT 1851324135 SHORT NAME ROCANVCORPO
CLASS 1 (1,2,3) TYPE 20 SEQ 1 CURRENCY

TYPE CODE..... DATE PLACED..... 104/06/01
REASON CODE..... DATE EXPIRES..... 999/99/99
STATUS CODE..... 1

SPECIAL COMMENTS LINE 1 RELEASE ONLY UPON WRITTEN INST
LINE 2 RUCTION OF BOTH THE DIR. OF TH
RESTRAINT REASON LINE 1 E DIVISION AND THE AUTHORIZED
LINE 2 OFFICER OF USDOJ-BLM

STATUS CODE VALUES :

1 = ACTIVE 2 = DELETE
A = ACTIVE PAID B = DELETE PAID

PF: 2-CONT 4-CHG 5-FAD 6-INQ 9-NXT ..-DEL ..-ADD

4-© A 3270 Ses 10.103.30.202 LUDKTJX 3/9

Time Account Receipt/Disclosure

Bank name

Wells Fargo Bank , N.A.

Time Account number

Date opened

06/01/2004

Term of Time Account

06 months days

Maturity date

Your Time Account will mature on

12/01/2004

Interest rate

0.85

Fixed rate

X

Variable rate

Annual percentage yield

0.85

Interest will be paid

EVERY 03 MONTHS AND AT WITHDRAWAL

The method of interest payment will be

BY ADDING TO PRINCIPAL

Renewability

YOU WILL AUTOMATICALLY RENEW MY TIME ACCOUNT
AT MATURITY UNLESS I NOTIFY YOU OTHERWISE.

The Bank is opening the above described Time Account for your deposit of

EIGHT THOUSAND ONE HUNDRED FIVE AND 0/100

\$ 8,105.00

Your name and address

Taxpayer Identification Number (TIN)

FOR THE BENEFIT OF THE STATE OF UTAH DIVISION OF OIL GAS & MINING & USDOJ
BLM-- OWNER ROCANVILLE CORP.-- COMPANY
8235 DOUGLAS AVE STE 1201
DALLAS TX 75225-6012

06/01/2004 15:37

U5182 02859 Bank# 00119

This is a receipt. It need not be presented at the time you obtain payment from the Bank.

W60168

CER 60167 (6-01-43234)